

1           A     That's the page that I changed to clarify the fact  
2 that I am the source of funds.

3           Q     And what is Shoot the Moon?

4           A     Shoot the Moon is the name of my ranch, it was an  
5 address.

6           Q     That's where you resided at the time?

7           A     Yes. My mail came to Shoot the Moon.

8           Q     And the relationship that you are identifying there  
9 is -- on that page?

10          A     Myself. I'm the source of the funds.

11          Q     And the funds were the funds contained in your Alex  
12 Brown account?

13          A     Yes, they were.

14                JUDGE LUTON: That's leading.

15                MR. SHUBERT: You're correct, Your Honor. Would you  
16 like me to restate the question?

17                JUDGE LUTON: No need now. I'm too late.

18                MR. SHUBERT: Your Honor, at this point in time I  
19 would like to mark for identification a two-page document that  
20 Mrs. Constant has identified as a copy of her amendment  
21 certification from the amendment that was dated February 27,  
22 1992, and file on, I believe, March 2nd, 1992. That among  
23 other things, amended the financial certification. Second  
24 page of the document is the Section III - Financial  
25 Qualifications that have been changed. I would like to mark

1 | those as Exhibit I and move them into evidence.

2 | JUDGE LUTON: All right. I is offered? Any  
3 | objection?

4 | MR. FITCH: No objection, Your Honor.

5 | JUDGE LUTON: All right. I is received.

6 | (Whereupon, the document referred to  
7 | as Moonbeam Exhibit I was marked for  
8 | identification and received into  
9 | evidence.)

10 | MR. SHUBERT: Mrs. Constant, what part did you play  
11 | in the preparation of this amendment?

12 | JUDGE LUTON: Did you play any part in the  
13 | preparation of the amendment?

14 | MRS. CONSTANT: Yes. I mean, I just -- it was very  
15 | frustrating. I mean, I just wanted to -- it to be very  
16 | crystal clear that I am the source of the funds. My attorney  
17 | pointed out that on my Eagle, Idaho, application I had put  
18 | Alex Brown and Sons and that I had put it on this one. And it  
19 | was like, well, who -- Alex Brown is not the source of the  
20 | funds, you are the source of the funds and so I clarified it.

21 | MR. FITCH: Judge, this is not responsive to the  
22 | question.

23 | JUDGE LUTON: It certainly is.

24 | MR. SHUBERT: Are you moving to strike it?

25 | MR. FITCH: I moving to cut it off and to strike it.

1 JUDGE LUTON: All right. The motion to strike is  
2 granted. Ask your question again if you feel that you need a  
3 response to it.

4 BY MR. SHUBERT:

5 Q What caused this amendment?

6 A What caused the amendment is the discussion I had  
7 with my attorney.

8 Q And what was the substance of that discussion?

9 A The substance of it that -- is that I should clarify  
10 that I am the source of the funds, not Alex Brown and Sons.

11 Q When you amended Moonbeam's financial certification  
12 on February 27, 1992, did you intend to reflect any change in  
13 Moonbeam's source of funds?

14 A No.

15 Q Was there any change in Moonbeam's source of funds?

16 A No. There was no change.

17 Q As of February 27, 1992, did you know of any change  
18 in your financial condition since your prior certification on  
19 November 12, 1991?

20 A No.

21 Q What information did you rely upon when you  
22 certified Moonbeam's financial qualifications in March 1992?

23 A I didn't have to reaffirm the funds. I was just  
24 re-- affirming that I was the source of the funds.

25 Q So there was no change in your financial plan at

1 all?

2 A No, there's no change in the financial plan.

3 Q Between the dates you prepared your financial  
4 statement, that's the document that we have identified as  
5 Exhibit D, and the date of your amendment, February 27, 1992,  
6 was there any change in your financial condition?

7 A No.

8 Q Between the dates you prepared that balance sheet,  
9 which again is Moon -- has been marked and identified as --  
10 and admitted as Moonbeam Exhibit D, between the November 1991  
11 filing and the date of your amendment on February 27, 1992,  
12 did you engage in any financial transactions that would have  
13 materially or adversely changed your account?

14 A No.

15 Q Does Moonbeam presently have available to it  
16 unencumbered liquid assets?

17 A Yes.

18 Q And what assets does it have available to it?

19 A It has sufficient assets to build and run the radio  
20 station for three months.

21 Q Do you know how much liquid assets are available to  
22 it right now?

23 A More than \$95,000.

24 Q Let me direct your attention to Exhibit J. Would  
25 you describe the document that is Exhibit J?

1           A     It's my Alex Brown and Sons statement dated May  
2 29th-June 25th, 1993.

3           Q     Is that the statement, to your knowledge, that was  
4 most contemporaneous to the time the issue was added in this  
5 proceeding?

6           A     Yes, I believe it is.

7           Q     To your knowledge, is that an accurate reflection of  
8 the amount of funds that were available in your Alex Brown  
9 accounts as of the end of June 1993?

10          A     Yes.

11          Q     Were a portion of those funds to be used by you in  
12 connection with the construction and operation of your  
13 proposed station for Calistoga?

14          A     Yes.

15          Q     Is this document, which is at Tab J, a photocopy of  
16 an original document that was provided to you by Alex Brown  
17 and Sons?

18               MR. FITCH: Your Honor, this is --

19               MRS. CONSTANT: Yes.

20               MR. FITCH: -- just leading questioning, leading  
21 questions.

22               JUDGE LUTON: It is. It's also very tedious. With  
23 the remaining K, L, and M all seem to be statements from Alex  
24 Brown and the whole idea being presumably, Mr. Shubert, to  
25 show that Ms. Constant has had available over a period of time

1 this -- these statements to cover -- she's had available to  
2 her monies in excesses of \$95,000 that she has -- intends to  
3 devote to Moonbeam. Is that right?

4 MR. SHUBERT: They are aimed at addressing issue  
5 number one, whether Moonbeam is financially qualified.

6 JUDGE LUTON: Yeah. That's perfectly plain that  
7 that's what this is all about. I don't see why it's -- it  
8 should involve leading questions and this -- can't you just --

9 MR. SHUBERT: Well, Your Honor, we're just trying to  
10 identify what the documents are so we can move them into  
11 evidence.

12 JUDGE LUTON: Right.

13 MR. SHUBERT: So we have documentary evidence upon  
14 which to rely to make our case.

15 JUDGE LUTON: Yeah. All right.

16 MR. SHUBERT: I mean, I can --

17 JUDGE LUTON: What was the objection, Mr. Fitch? It  
18 was -- was it leading? Is that the one?

19 MR. FITCH: Yeah, it was leading question.

20 JUDGE LUTON: I don't remember whether it was  
21 leading or not, quite frankly. I just wanted to state my  
22 complaint there and in doing it, I lost sight of the  
23 objection. I'm going to ask that the questioning resume and  
24 if you want to ask that same question, which was objected to  
25 over again you may do so, Mr. Shubert.

1 MR. SHUBERT: I honestly don't remember the  
2 question, Your Honor.

3 BY MR. SHUBERT:

4 Q Mrs. Constant, is this an original copy of a  
5 statement you received from Alex Brown?

6 A No, this is a copy of it.

7 Q Is it a photocopy --

8 A It's a photocopy, yes.

9 Q Let us take and look now at Exhibit K. Would you  
10 identify Exhibit K for us?

11 A Exhibit K is Alex Brown and Sons statement, July 26  
12 through June 30th, 1993. Excuse me, July 30th, 1993.

13 Q And is that a copy of a statement that you received  
14 from Alex Brown?

15 A Yes, this is a copy.

16 Q Let us take a look at Exhibit L, please. And what  
17 is Exhibit L?

18 A That's another Alex Brown and Sons statement, June  
19 26th-July 30th.

20 Q It's for the same period as --

21 A The same period.

22 Q -- Exhibit K?

23 A Yes.

24 Q To your knowledge, was that document received by you  
25 from Alex Brown?

1           A     Yes, it was.

2           Q     To your knowledge, is this an accurate photocopy of  
3 the original statement received by you?

4           A     Yes.

5           MR. SHUBERT: Your Honor, at this time I would like  
6 to mark for identification three one-page documents, Exhibit J  
7 being the Alex Brown account of Mary F. Constant for the  
8 period May 29 through June 25, 1993. Marking that as Moonbeam  
9 Exhibit J. Next we have a one-page document, the account of  
10 Mary F. Constant that is dated for the period June 26 through  
11 July 30, 1993, as Exhibit K. And lastly a one-page document  
12 which is the Mary F. Constant/Abbie & Bianco Retirement Fund  
13 Account for June 26 through July 30, 1993, which we'd like to  
14 mark as Moonbeam Exhibit L. And I would like to move those  
15 into evidence.

16           JUDGE LUTON: All right. Same objections?

17           MR. FITCH: Yeah, same objection as the objections  
18 raised in the previous Alex Brown & Sons statements.

19           JUDGE LUTON: All right. And Ms. Constant -- all  
20 right. Objections overruled and J, K, and L are received.

21                               (Whereupon, the documents referred to  
22 as Moonbeam Exhibits J, K, and L were  
23 marked for identification and  
24 received into evidence.)

25           BY MR. SHUBERT:



1 Q Mrs. Constant, do you have a current balance sheet?

2 A The most current balance sheet is June 30th, 1993.

3 Q Is this the document that is behind Tab M --

4 A Yes.

5 Q -- of the documents that we produced? Would you  
6 explain when that was prepared?

7 A That was prepared when I was here in Washington,  
8 D.C.

9 Q Was it after the issue was added?

10 A It was after the issue was added. It was prepared  
11 in your office.

12 Q Do you know who prepared that balance sheet?

13 A I prepared it and your office typed it.

14 Q And the assets that you indicate there, the liquid  
15 assets? What was the source of those funds?

16 A My Alex Brown and Sons accounts.

17 Q And what was the source of the current liabilities?

18 A Bills, taxes, credit cards.

19 Q Do you have any mortgage on your current property?

20 A No, there's no mortgage.

21 Q Do you have any obligation that you're liable for in  
22 connection with your current property?

23 A There's a crop loan.

24 Q And what do you mean by a crop loan?

25 A It's -- well, it's a, it's a business loan that is

1 on the property or on the crop that is payable at harvest.

2 Q What is the nature of the business where you live?

3 A It's a premium vineyard.

4 Q Do you grow grapes?

5 A Yes.

6 Q Did you have a contract on the grapes to sell the  
7 grapes?

8 A Yes, there's a contract on the grapes.

9 Q Was that contract in place prior to the time you  
10 obtained the crop loan?

11 A Yes. That contract was in place when we bought the  
12 property.

13 Q Are the proceeds from the grapes sufficient to  
14 liquidate the crop loan?

15 MR. FITCH: Objection. Leading, Your Honor.

16 JUDGE LUTON: This isn't necessarily leading.  
17 Overruled.

18 MRS. CONSTANT: The, the proceeds from the crop --

19 JUDGE LUTON: Did you sell the grapes?

20 MR. FITCH: You didn't answer the question.

21 MRS. CONSTANT: Oh, I'm sorry.

22 JUDGE LUTON: I'm sorry. Go ahead. Answer the  
23 question.

24 MRS. CONSTANT: Yes.

25 JUDGE LUTON: The question being whether the sale of

1 the -- the proceeds from the sale of the grapes are sufficient  
2 to --

3 MR. SHUBERT: Liquidate the crop loan.

4 JUDGE LUTON: -- liquidate the crop loan.

5 MRS. CONSTANT: Yes, definitely.

6 JUDGE LUTON: That could have been answered yes or  
7 no without stating the question in the answer. I don't think  
8 that was a leading question, in other words.

9 COURT REPORTER: Excuse me. I'd like to change the  
10 tape.

11 JUDGE LUTON: Go ahead.

12 (Off the record briefly.)

13 JUDGE LUTON: Continue, Mr. Shubert.

14 MR. SHUBERT: Your Honor, at this time I would like  
15 to mark for identification a document that Mrs. Constant has  
16 identified as her balance sheet as of June 30, 1993. We'd  
17 like to mark it as Moonbeam Exhibit M. It's a one-page  
18 document and I'll move that into evidence.

19 JUDGE LUTON: Any objection?

20 MR. FITCH: Just carry forward my objection raised  
21 earlier, Your Honor, to all these objections -- I mean, all  
22 these exhibits.

23 JUDGE LUTON: All right. Then M is received.

24 (Whereupon, the document referred to  
25 as Moonbeam Exhibit M was marked for

1 identification and received into  
2 evidence.)

3 MR. SHUBERT: If you bear with me, Your Honor, I'm  
4 trying to proceed through this questioning to shorten it.

5 BY MR. SHUBERT:

6 Q Mrs. Constant, how has Moonbeam been handling its  
7 legal expenses in this proceeding?

8 A It's been paying them on an ongoing basis.

9 Q What is the present outstanding balance on  
10 Moonbeam's legal bills?

11 A Oh, I think it's about \$30,000.

12 Q Does Moonbeam presently have any liquid assets?

13 A Yes.

14 Q And what assets does it have?

15 A Moonbeam has about \$95,000.

16 Q Have you recently made a deposit to Moonbeam's  
17 account?

18 A Yes I did.

19 Q And when did you make that deposit?

20 A I did it last Friday.

21 Q Friday, November 12th?

22 A Yes.

23 Q What was the source of that deposit?

24 A I moved funds from my Alex Brown and Son account to  
25 my Moonbeam account.

1 Q And what was the reason the deposit was made by you  
2 to Moonbeam's account?

3 A I made the deposit so that I could come here today  
4 and say that I have sufficient funds to build and run the  
5 radio station.

6 Q What is your intention concerning the funds on  
7 deposit for Moonbeam?

8 A The funds on deposit in Moonbeam are there to build  
9 and run the radio station.

10 Q Do you intend to maintain those accounts in the  
11 Moonbeam account?

12 A Yes.

13 Q How long?

14 A Until I build and run the radio station.

15 Q From what source do you intend to pay Moonbeam's  
16 continuing legal fees?

17 A I have income and I also have remaining funds in my  
18 Alex Brown account. Excuse me, plus I think I budgeted for  
19 legal fees in my, in my budget anyway.

20 MR. SHUBERT: If I may have a moment, Your Honor. I  
21 think I've concluded my questioning. If I could just review  
22 my notes to make sure that I didn't omit anything.

23 (Pause.)

24 MR. SHUBERT: I think, Your Honor, we've concluded  
25 our direct case.

1 JUDGE LUTON: I want you, Mr. Shubert, to make the  
2 statement for me that you were going to make and I cut you off  
3 in response to the objections -- or the objection, main  
4 objection that I heard made by Willson, namely that Moonbeam  
5 has come in here this morning with several exhibits which it  
6 intends to offer but no direct written testimony. As I  
7 understood the objection, it was that because of this so-  
8 called transgression either none or some or all of these  
9 things ought to be rejected on the evidentiary offerings.

10 I declined to refuse or reject the offerings on the  
11 basis that there is not -- no, no narrative, written narrative  
12 of testimony of Mrs. Constant has been exchanged or would be  
13 prepared currently. I did, I suppose, for two reasons. First  
14 -- maybe two and a half. The -- it's not entirely clear that  
15 a call for exhibits necessarily carries with it written  
16 testimony. I think the order that I issued only called for  
17 exhibits. That's the half of the reason.

18 One of the whole reasons is that -- why I rejected  
19 -- did not, rather, reject the evidentiary documents because  
20 to me it would have been too technical. To deny a party an  
21 opportunity to present a direct case where issues as discrete  
22 and clear as these are based on an order issued not very long  
23 ago, after a lot of pleading, we know what -- everybody knows  
24 what's at issue here. I don't think the absence of written  
25 testimony could reasonably be viewed in this instance as

1 causing difficulty for anybody in going, going forward.

2           A second full reason for rejecting this is that I've  
3 always viewed written testimony as a device which is intended  
4 to speed things along and have the witness introduce written  
5 testimony and you're done with it. You don't have to bother  
6 with it. Hasn't -- it doesn't work that way in FCC  
7 proceedings it seems to me oftentimes. At times the written  
8 testimony says practically nothing and it doesn't form the  
9 basis for anything, any of the -- an examination which always  
10 follows. So -- nor does it speed things up. I view it  
11 primarily as being a device which theoretically at least  
12 should speed things along. So its absence doesn't, and didn't  
13 today, trouble me at all quite frankly.

14           But Willson would disagree with me and it just may  
15 be that the reviewing authorities will as well. Consequently,  
16 Mr. Shubert, I want you to go ahead and make that statement to  
17 me that you were prepared to make earlier today in response to  
18 the objection raised by Willson, the one that I'm talking  
19 about.

20           MR. SHUBERT: Oh, well, I think originally I stated  
21 that there was no indication in the order that we had to  
22 provide a direct, written case. It simply indicates that it's  
23 an exchange of exhibits. And since this is in the nature of a  
24 character issue, the demeanor of the witness is highly  
25 important on all of these issues and the state of mind and the

1 intention of the witness at the time the documents were  
2 prepared or at the time the certification was made or at the  
3 present time concerning the availability of funds.

4           And that the demeanor of the witness does not come  
5 through in direct written testimony because oftentimes -- more  
6 often than not the direct written testimony is but the words  
7 of the attorneys that are characterized -- or that set forth  
8 the case and then are signed by the witness. My experience in  
9 all cases that I've been in over the 20 years before the FCC  
10 now, character cases are generally done unless specifically  
11 stipulated by the parties otherwise in advance by direct oral  
12 testimony.

13           The witn-- or the opposing party is not put at an  
14 advantage, because as you've stated the parties have pled the  
15 case and then they have had discover and I would submit that  
16 all of the documents that we have produced or moved into  
17 evidence today are documents that the other party has had at  
18 its disposal and has had the oppor-- or would have had the  
19 opportunity to depose Mrs. Constant about but did not.

20           JUDGE LUTON: All right. I'm not going to change my  
21 ruling, of course. As the matter goes forward, we will have  
22 heard from everybody involved. Mr. Fitch, you want --

23           MR. FITCH: Your Honor, I, I --

24           JUDGE LUTON: -- further?

25           MR. FITCH: Yes. I would just, for the purposes of



1 the record, I'd just like to restate my objection to make  
2 sure --

3 JUDGE LUTON: That would be well, because I, I --

4 MR. FITCH: -- that it is stated clear.

5 JUDGE LUTON: -- stated for you and you should state  
6 it for yourself.

7 MR. FITCH: Yeah.

8 JUDGE LUTON: Go ahead.

9 MR. FITCH: First, Your Honor, as I recall the, the  
10 initial order that, that was released on the hearing date on  
11 this matter did not specify to the exchange of any direct  
12 case, nor was there anything on, on burden of proceeding or  
13 burden of proof. It is at the request of both counsel in a  
14 conference call with Your Honor where the order came out and  
15 counsel specifically requested that an order be set and a date  
16 set for exchange of written, of written direct case exhibits.

17 It would be pointless to have such an exchange if  
18 that exchange were not to have some kind of a meaning, Your  
19 Honor. Not just, not just for counsel for Mary Constant, but  
20 for counsel for Gary Willson. And by that, Your Honor, it  
21 makes -- it, it's of no benefit and no assistance to counsel  
22 for Gary Willson to have a direct case exhibit which doesn't  
23 at the minimum have a summary of the evidence that will be  
24 presented or is to be expected -- is to be presented on a  
25 financial issue.

1           It's easy for counsel for Moonbeam to say there's  
2 been no prejudice, but indeed many matters have been brought  
3 up today that counsel for Willson was -- had no idea were,  
4 were to be brought up, nor was there any indication even of  
5 what witness would be brought today. Whether it would be Mary  
6 Constant, or whether it would be somebody else to sponsor some  
7 of these exhibits. There was not even one sponsoring  
8 affidavit submitted with these direct case exhibits.

9           I would submit that the order, to have any meaning,  
10 requesting the exchange of direct case exhibits at minimum  
11 would require a summary of the case to be presented. It's not  
12 an issue of demeanor. I, I requested that whatever witness be  
13 produced or whatever witness, if any, that was going to be  
14 presented, and I didn't know who that would be in my witness  
15 notification, that that witness appear, because of the fact  
16 that demeanor is an issue.

17           It's the fact that Willson had no idea of the case  
18 that was to be put on by Moonbeam at the time its direct case  
19 exhibits were exchanged that we object to.

20           JUDGE LUTON: Well, I won't respond to that and  
21 neither will you, Mr. Shubert. The next time we hear about it  
22 it may be from the reviewing authorities, but I stand by my  
23 ruling. Let's take a 10-minute recess and we'll come back and  
24 proceed with some cross-examination.

25           MR. FITCH: Your Honor, if I might suggest. I've

1 got a pile of material here that I was going to go through.  
2 If we take our lunch break now I can use that time to weed  
3 through this and eliminate some of the material that's in  
4 here.

5 JUDGE LUTON: All right. We can take it now if it's  
6 convenient for everybody. It doesn't matter to me.

7 MR. FITCH: Well, I would suggest we do that then.

8 JUDGE LUTON: All right. We'll be in recess until  
9 1:00 this afternoon. Will that be enough time?

10 MR. FITCH: Yes, sir. That's fine.

11 (Whereupon, a lunch recess was taken until 1:00  
12 p.m.)

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## A F T E R N O O N   S E S S I O N

JUDGE LUTON: Cross-examination.

MR. FITCH: Yes, sir.

## CROSS-EXAMINATION

BY MR. FITCH:

Q Good afternoon, Ms. Constant. I'm going to start out by focusing you on your -- some of your direct exhibits that have been introduced into evidence. And if you would turn to your Exhibit A I just have a quick question to ask you about that. Do you have that before you?

A Yes I do.

Q It's the Minutes of the First Meeting of the Board of Directors, Moonbeam Incorporated. Focusing on the last two paragraphs on that page, or on that exhibit, what, what's your understanding as, as far as the number of shares that are authorized to be sold by Moonbeam Incorporated?

A The corporation offer for sale and issue up to 100,000 shares.

Q At how much per share?

A At \$100 per share.

Q If you -- do you have any idea what the total dollar value of that would be?

A Well, the last sentence is that there's no outstanding offer, so there's no value.

Q All right. Let's focus on the second to last

1 paragraph on that page. "WHEREAS, It is deemed advisable by  
2 the Board of Directors..." See that paragraph?

3 A Um-hum.

4 Q "...that this corporation offer for sale and issue  
5 up to 100,000 shares of...common stock..."

6 A Yes.

7 Q See that?

8 A Yes.

9 Q So, you're, you're saying that it was deemed  
10 advisable then?

11 A No, I'm just -- my under -- you're asking me what my  
12 understanding was.

13 Q Yeah.

14 A My understanding was that according to this I also  
15 -- were only 10 shares at \$100 each.

16 Q Right, this would be --

17 A You're asking me to put a valu-- if I, if I think  
18 that the value of the stock at some future date is going to be  
19 what I -- what it is the date that I offered the stock?

20 Q No.

21 A I mean I don't think any stock works that way, does  
22 it?

23 Q No, that's not what I'm asking you. Let me ask you  
24 this. Would it be safe to say that, that basically this  
25 paragraph is authorizing the sale of \$10 million worth of

1 stock?

2 A It, it could.

3 Q Is there any particular reason why, why the  
4 corporation would offer for sale \$10 million worth of stock?

5 A I think that that was just a standard, a standard  
6 language in this form --

7 Q So you don't know, you don't know why?

8 A My attorney drafted this for me.

9 Q But he, he was working under your direction, is that  
10 not right?

11 A He was working under my direction. He was also  
12 working under procedures of the State of Idaho.

13 Q All right. Let me, let me jump to Exhibits -- to  
14 your Exhibit B. And this question would be equally applicable  
15 to Exhibit C. And this is the Alex Brown and Son customer  
16 statement. Exhibit C is for July 27 to August 30. And D is  
17 different account, same period, Alex Brown. You mention that  
18 you, you lost the originals?

19 A Yes.

20 Q Explain to me when and how they were lost.

21 A Well, I think I explained it during the hearing when  
22 I told you that I lost most of these documents during moves.

23 Q During moves? What, what moves would those be?

24 A Yes -- well, it was, it was -- there was one move  
25 where I lost a lot of documents. I was moving from an office

1 and moving things into my barn in Nicasio and the workers who  
2 were moving the things didn't speak English and they  
3 accidentally dumped quite a few shopping carts full of boxes,  
4 papers, into a dumpster rather than load them into the, the  
5 van that we were moving the office records in, and furniture.

6 Q And when was that?

7 A That was about a year ago.

8 Q Let me jump to Exhibit D. That's your balance  
9 sheet?

10 A Yes.

11 Q How -- what's your definition of a current  
12 liability?

13 A It's a liability that is within a year.

14 Q That's what within a year?

15 A The liabilities that are with -- it includes the  
16 liabilities with one year.

17 Q What, what about these liabilities within one year?

18 A That's what the liabilities are. They're  
19 liabilities that would be incurred in one year.

20 Q Okay, incurred in one year.

21 A Yes.

22 Q Is that -- so, they would be paid within one year?

23 A Yes.

24 Q All right. You -- at that time, in, in August 30 or  
25 at -- or on that date, as of the time this balance sheet was

1 prepared on August 30, 1991 -- well, wait a minute. Let me,  
2 let me strike that. This, this balance sheet wasn't prepared  
3 on August 30, 1991, was it?

4 A No.

5 Q When was it prepared?

6 A It was prepared before the application was filed.

7 Q Contemporaneously with preparation or --

8 A Within three months.

9 Q Within three months of preparing the application?

10 A Yes.

11 Q You can't narrow the time frame any more than that?

12 A Probably within a month.

13 Q All right. At that time you, you were the signature  
14 on a deed of trust note, were you not? For a piece of  
15 property you, you held in Nicasio?

16 A Yes.

17 Q What was the face amount of that note?

18 A Face amount was about \$500,000.

19 Q And do you know when that deed of trust was  
20 recorded? Approximately?

21 A It was about 1986.

22 Q All right. And was that a standard 30-year  
23 mortgage?

24 A I think it was 30 years.

25 Q Do you know what the interest rate was?



1           A     The interest rate I think was about -- oh, it was a  
2 variable, so I, I can't tell you exactly what, you know, it  
3 varies so I can't tell you -- it went anywhere from it seemed  
4 like 8, 8 to 12, somewhere in there.

5           Q     Based on prime?

6           A     Um-hum.

7           Q     And this, this obligation was a -- was an obligation  
8 which was due and owing at the time this balance sheet was  
9 prepared, was it not?

10          A     Um-hum.

11          Q     As of August 31st, 1991?

12               MR. SHUBERT: I'm going to object to the framing of  
13 the question.

14               MR. FITCH: Let me, let me -- I, I appreciate  
15 counsel's con-- concern. Let me rephrase that.

16               BY MR. FITCH:

17          Q     This was an obligation in effect at that time. Is  
18 that correct?

19          A     Yes.

20          Q     Now, were the, were the payments on that mortgage  
21 approximately \$3,700 a month?

22          A     Approximately.

23          Q     And is that about \$44,000 a year?

24          A     Yes.

25          Q     But that's -- that varied depending on what the